

RECORDATION NO. 25523-D FILED

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
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SUITE 301  
WASHINGTON, D.C.

OCT 27 '05 11-07 AM  
SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

20036

OF COUNSEL  
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October 27, 2005

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease, dated as of October 28, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease filed with the Board under Recordation Number 25523.

The names and addresses of the parties to the enclosed document are:

Lessor: ABN AMRO Bank N.V.  
540 W. Madison  
Suite 2131  
Chicago, IL 60661

Lessee: Eastman Chemical Company  
100 North Eastman Road  
Kingsport, TN 37662

A description of the railroad equipment covered by the enclosed document is:

25 railcars: ETCX 430050 – ETCX 430074

Mr. Vernon A. Williams  
October 27, 2005  
Page Two

A short summary of the document to appear in the index follows:

Memorandum of Lease

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/anm  
Enclosures

RECORDATION NO. 25523-D FILED

**FILING AND RECORDING REQUESTED BY,  
AND WHEN FILED AND RECORDED RETURN TO:**

OCT 27 '05 11-07 AM

Alvord & Alvord  
1050 17<sup>th</sup> Street, N.W., Suite 301  
Washington, DC 20006-5556  
Attention: Robert W. Alvord, Esq.

SURFACE TRANSPORTATION BOARD

-----SPACE ABOVE THIS LINE FOR RECORDER'S USE-----

**MEMORANDUM OF LEASE**

dated as of October 28, 2005

between

**EASTMAN CHEMICAL COMPANY,**  
a Delaware corporation,  
as Lessee,

**ABN AMRO BANK N.V.,**  
as Lessor

This **MEMORANDUM OF LEASE** dated as of October 28, 2005 (this "**Memorandum**") between **ABN AMRO BANK N.V.**, as Lessor, with an address at 540 W. Madison, Suite 2131, Chicago, Illinois 60661 ("**Lessor**"), and **EASTMAN CHEMICAL COMPANY**, a Delaware corporation, with an address at 100 North Eastman Road, Kingsport, Tennessee 37662-5075, as Lessee ("**Lessee**").

**W I T N E S S E T H:**

**WHEREAS**, Lessee and Lessor have entered into that certain (unfiled) lease agreement dated as of March 30, 2005 (as from time to time amended, restated, supplemented or otherwise modified, the "**Lease**") pursuant to which Lessor will lease to Lessee, and Lessee will lease from Lessor, the items of railroad rolling stock (the "**Units**") to be delivered to Lessor on each Delivery Date as more fully described in each Lease Supplement; and

**WHEREAS**, pursuant to Section 12.1 of the Lease, Lessee has granted to Lessor a first priority security interest in all of the Units and the other Collateral to secure the payment of all sums due and payable by Lessee and the performance by Lessee of all of its obligations under the Lease, the Lease Supplements and the other Operative Documents.

**NOW, THEREFORE**, in consideration of the mutual premises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. For all purposes hereof, the capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in Appendix 1 to that certain Participation Agreement dated as of even date herewith, among Lessee, Lessor, ABN AMRO BANK N.V., as Administrative Agent, ABN AMRO Advisory, Inc., as Collateral Agent and the Participants identified therein (as from time to time amended, restated, supplemented or otherwise modified, the "**Participation Agreement**"). The rules of interpretation set forth in such Appendix 1 shall also apply hereto.

2. This Memorandum evidences of record the Lease and the grant of a first priority security interest by Lessee to Lessor in the Units and the other Collateral, and all references herein or in the other Operative Documents to the Lease shall be deemed to include this Memorandum. All obligations imposed on the "Lessee" in the Lease shall be the full recourse liability of Lessee.

3. Pursuant to that certain Lease Supplement No. 12, dated as of October 28, 2005, the Units identified in such Lease Supplement and listed at Annex A hereto became subject to the terms and provisions of the Lease, including without limitation the grant of a first priority security interest as set forth in Section 12.1 of the Lease.

4. The parties hereto wish to show for public record this Memorandum and accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

5. It is the intention of the parties that:

(a) the Overall Transaction as provided for in the Lease and the other Operative Documents constitutes an operating lease from Lessor and Participants to Lessee for purposes of Lessee's financial reporting;

(b) for all other purposes, including federal and all state and local income and transfer taxes, bankruptcy, insolvency and receivership (including the substantive law upon which bankruptcy, insolvency and receivership proceedings are based), commercial law and UCC purposes:

(1) the Overall Transaction constitutes a financing by the Participants to Lessee and preserves beneficial ownership in the Equipment in Lessee, and the obligations of Lessee to pay Variable Rent shall be treated as payments of interest to the Participants, and the payment by Lessee of any amounts in respect of the Lease Balance, including any Fixed Rent, shall be treated as payments of principal to the Participants; and

(2) the Lease grants a security interest in the Equipment and other Collateral in favor of the Lessor.

(c) Specifically, without limiting the generality of Section 4(a), the parties to the Lease and the other Operative Documents intend and agree that in the event of any insolvency or receivership proceedings or a petition under the United States bankruptcy laws or any other applicable insolvency laws or statute of the United States of America or any State or Commonwealth thereof affecting Lessee, Lessor, either Agent or the Participants or any collection actions, the transactions evidenced by the Lease and the other Operative Documents are loans made to Lessee by the Participants in each case as unrelated third party lenders, and that Lessor holds title to the Equipment for the benefit of the Participants to secure Lessee's obligations to repay such loans to the Participants and all other amounts due under any of the Operative Documents.

6. This Memorandum may be executed in any number of counterparts and by each of the parties hereto in separate counterparts, all such counterparts together constituting but one and the same instrument.

**[ Signatures on next page ]**

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum to be duly executed by an officer thereunto duly authorized as of the date and year first above written.

LESSEE:

**EASTMAN CHEMICAL COMPANY,**  
a Delaware corporation

By: Michael Watts  
Name Printed: Michael Watts  
Title: Assistant Treasurer

LESSOR:

**ABN AMRO BANK N.V**

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_  
Title: \_\_\_\_\_

**IN WITNESS WHEREOF**, each of the parties hereto has caused this Memorandum to be duly executed by an officer thereunto duly authorized as of the date and year first above written.

LESSEE:

**EASTMAN CHEMICAL COMPANY,**  
a Delaware corporation

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_  
Title: \_\_\_\_\_

LESSOR:

**ABN AMRO BANK N.V.**

By: Elizabeth M. Todd  
Name Printed: Elizabeth M. Todd  
Title: Director

By: Ruba Abozir  
Name Printed: Ruba Abozir  
Title: Vice President

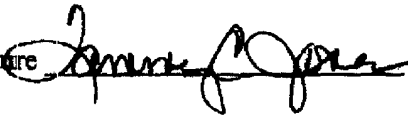
**ACKNOWLEDGMENT-LESSEE**

STATE OF Tennessee

COUNTY OF Sullivan

On October 25, 2005, before me, Tammy Jones, a Notary Public in and for said State, personally appeared Michael Watts, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature  (Seal)

Commission Expires: 3/17/07

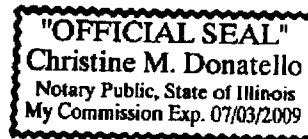
ACKNOWLEDGMENT- LESSOR

STATE OF ILLINOIS )  
 )  
COUNTY OF COOK )

On October 25, 2005, before me, Christine M. Donatello, a Notary Public in and for said State, personally appeared Elizabeth M. Todd and Ruba Abozir, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Christine M. Donatello (Seal)



## ANNEX A

### Description of Units

Car Type	Car Number	Year Built
Tank Car	ETCX430055	2005
Tank Car	ETCX430056	2005
Tank Car	ETCX430065	2005
Tank Car	ETCX430066	2005
Tank Car	ETCX430050	2005
Tank Car	ETCX430051	2005
Tank Car	ETCX430052	2005
Tank Car	ETCX430054	2005
Tank Car	ETCX430057	2005
Tank Car	ETCX430058	2005
Tank Car	ETCX430060	2005
Tank Car	ETCX430063	2005
Tank Car	ETCX430064	2005
Tank Car	ETCX430071	2005
Tank Car	ETCX430069	2005
Tank Car	ETCX430059	2005
Tank Car	ETCX430067	2005
Tank Car	ETCX430070	2005
Tank Car	ETCX430072	2005
Tank Car	ETCX430073	2005
Tank Car	ETCX430074	2005
Tank Car	ETCX430068	2005
Tank Car	ETCX430053	2005
Tank Car	ETCX430061	2005
Tank Car	ETCX430062	2005

**CERTIFICATION**

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: \_\_\_\_\_

10/27/05



\_\_\_\_\_  
Robert W. Alvord